"Growth and Development of Stock Market in India – A Study With Reference To Nanded and Bidar District "

A

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1. Introduction.

A stock exchange is that entity which provides services for stock brokers and traders to trade stocks, bonds, shares, preference shares and other securities. Stock exchanges also provide facilities for issue and redemption of securities and other financial instruments, and capital events including the payment of income and dividends. Securities traded on a stock exchange include shares issued by companies, unit trusts, Mutual fund derivatives, pooled investment products and bonds.

The Major Stock Exchanges in the world NYSE Euro in New York City, NASDAQ OMX in New York City, and Tokyo Stock Exchange in Tokyo, Bombay Stock Exchange in Mumbai, National Stock Exchange of India in Mumbai etc.

Establishment of National stock Exchange of India Ltd,(NSE) in 1994 with an allIndia spread and expansion of operations of Bombay Stock Exchange (BSE) throughout the country, both of which have their trader work stations at over 400 centers in the country today, have led to the virtual extinction of all the 19 Regional Stock Exchange (RSE) spread across the length and breadth of the country. The share of 19 RSE, which was as much as 45.6% of the total all India turnover of Rs.2.39 lakh cror in 1995-96, declined progressively year after year and in 2001-02, it was just 8.4% lakh cror. At present, there is virtually no trading at any of the RSE.

1.1 History of Bidar.

It is a to hill city in the north-eastern part of Karnataka state in India. Bidar district borders are Maharashtra and Telangana (old Andra Pradesh). Bidar is a rapidly urbanizing city in the wider Bidar Metropolitan area. The city is well known for its many sites of architectural, historical and religious importance.

Bidar located at the farthest of around 700 km (430 mi) from the state capital Bangalore, it has been neglected by the state government for a long time. However, owing to its rich heritage, the city has a prominent place on the Archaeological Map of India. Picturesquely perched on the Deccan plateau, the Bidar fort is more than 500 years old and still standing strong.According to the book "Bidar Heritage" published by the state Department of Archaeology, Museums and Heritage, of the 61 monuments listed by the department, about 30 are tombs located in and around Bidar city. Explaining its nickname, "City of Whispering Monuments". The heritage sites in and around Bidar have become the major attraction for film shooting in recent years with nowdaysBollywoodmaking visits apart from Kannada film industry.

Bidar is home for the second biggest Indian Air Force training centre in the country. The IAF Station Bidar is used for advanced jet training of prospective fighter pilots on BAe Hawk aircraft. Now presently flats are available for Bangalore.

Bidar city is known for its Bidri handicraft products, and its rich history. It is also considered one of the holiest places for Sikh pilgrimage. Unlike other places in the region, Bidar is the coldest and wettest place in north Karnataka. For the

year 2009–10, Bidar was ranked 22nd among the cleanest cities in India and 5th cleanest in Karnataka.

SH4 passes through Bidar and the whole city is integrated with 4 lane road. Ancient Karez System in the city has been recently discovered. The Karez (Qanat) is an underground network of aqueducts for water supply. The Bidar Karez, built in the 15th century, is more than 3 km (1.9 mi) long with 21 air vents. Underground canals, built to connect underground water streams, were meant to provide drinking water to civilian settlements and the garrison inside the Bidar fort. This was necessary in a city where the soil was rocky and drilling wells was difficult.

1.2 Etymology

Bidar is believed to have got its name from Bidriworks. Legend has Bidar with the ancient kingdom of Vidarbha, to which references are found in early Hindu literature like Malavikagnimitra, Mahabharata, the Harivamsa, Bhagavata, and a few other Puranas. Its association can be seen apparently on account of the similarity in names Bidar and Vidarbha. This has been mentioned in Firishta's writings.

The traditional tales reveal that Vidura lived here; hence the place was earlier called Viduranagara and also as the place where Nala and Damayanti (Daughter of Raja Bhima, the King of Vidharba) were meeting.Bidar under the rule of the Bahmani Sultanate was known as Muhammadabad.

1.3 Back ground of Bidar

Bidar History of the city goes back to the 3rd century B.C. when it was a part of the Mauryan Empire. After the Mauryas, Satavahanas, Katsambis, and Chalukyas of Badami and later the Rashtrakutas reigned over Bidar territory.

The Chalukyas of Kalyana and Kalachuris of Kalyanis also regained the area. For a short period after Kalyani Chalukyas the area of Bidar was under the Seunas of Devagiri and Kakatiyas of Warangal.

The Delhi Sultanate invaded the area first by Allauddin Khilji, and later, Muhammad-bin-Tughluq took control of entire Deccan including Bidar. In the middle of the 14th century, the Sultan of Delhi's officers that were stationed in Deccan rebelled and this resulted in the establishment of Bahmanid Dynasty in 1347 A.D. at Gulbarga/Hasanabad (present Kalaburagi). There was frequent warfare between the Bahmanids and the Vijaynagar Kingdom.

The history of the present fort at Bidar is attributed to the sultan Ala-ud-Din Bahman Shah, the first sultan of the Bahmani dynasty to 1427, when he shifted his capital from Gulbarga to Bidar since it had better climatic conditions and was also a fertile and fruit-bearing land. The earliest recorded history of its existence as a small and strong fort is also traced to prince Ulugh Khan in 1322, whereafter it came under the reign of the Tughlaq dynasty.

With the establishment of the Bahmanid dynasty (1347), Bidar was occupied by Sultan Ala-ud-Din Bahman Shah Bahmani. During the rule of Ahmad Shah I (1422–1486), Bidar was made the capital city of Bahmani Kingdom. The old fort was rebuilt and madrasas, mosques, palaces, and gardens were raised. Mahmud Gawan, who became the Prime Minister in 1466, was a notable figure in the history of Bidar. Bidar remained under the Barid Shahi dynasty until conquest by the Bijapur Sultanate in 1619. Aurangzeb came to Bidar after his father, Padshah (emperor) Shah Jahan, appointed him the Prince of Deccan. He wrested the Bidar Fort from the Adil Shahis after a 21-day war in 1656. With this, Bidar became a part of the Mughal dynasty for the second time. Bidar was made a subah (imperial top-level province) in 1656, which Telangana Subah was merged into the next year.

1.4 Demography.

Bidar area is 5448 km2 (313sq mi)and the land is 150981 km2 (58294 sq mi) Bidar district accounts for 2.84% of the total area of the state and it is the home of 2.78%of the total population in the state.Bidar has a sex ratio of 952 females for every 1000males, and a literacy rate of 71.01%

In 2011, bidar had population of 1,703,300 of which male and female were 8, 70,665 and 8, 32,635respectively and population growth 13.37%.

1.4 Geography.

Bidar is located at 17.9°N 77.5°E lies at a central position in Deccan, a plateau at an elevation of 2300 ft from the sea level. It has common boundaries with Maharashtra and telengana which is, with the districts of Nizamabad and Medak in Telangana on the East and the districts of Latur , Nanded and Osmanabad in Maharashtra on the west. On the south lies the district Gulbarga of Karnataka.

It has taluks Aurad, Bhalki, Basavakalyan, Chitgoppa, Humnabad, Kamalnagar, Hulsoor and Bidar, spread across 5448sq kms. Biduru is the old name which comes from Bamboo which grows more in bidar district.

1.5 Industries.

Bidar district play very important role to formers for their sugar cane the followings are the number of sugar factories in Bidar district

i. Bhalkeshwar sugarltd, Tech. Bhalki, karnataks
ii. Bhavani khandsai sugars ltd, Tech. Bidar, Karnataka
iii. The bidar sahaaisakkarekarkhane ltd, Tech. Humnabad, Karnataka
iv. The maatma Gandhi sahakarisakkarekarkhane ltd, Tech, Bhalki, Karnataka
v. Naranjasahakarisakkarekarkhane ltd, Bidar, Karnataka

vi. The bidarkissanshakkarkarkhanaltd, Markuna,Karnataka

vii. Shiv shakti, sugar mill (india)\Pvt. Ltd. Bidar, Karnataka

1.6 Important places.

In bidar district number of historical or religious and educational places.

i. Karnataka veterinary, Animal and Fisheries Sciences University (KVAFSU) Bidar.

ii. The Agricultural Research Station, Halladkeri, Bidar

iii. Bidar Institute of Medical Science (BRIMS)college in bidar

iv. Gurunank Jira Sahib near new bustand.

v. Mahmud GawanMadarsa.

vi. Narasimha Jharni.

vii. Papnash shiva Temple.

viii. Dargah and KhankahHazrat Khwaja Abdul Faiz.

ix. Chaukhandi of hazratkhalil Ullah

1.7 Cultivation

Bidar is predominantly an agriculturedistrict and a major portion of the area is covered under agriculture practices. Mainly dryncrops aregrown,Jower being the major constituent and the followings

i. Farmer success in Ginger

ii. Farmers get more income from banana

ii. Man finds success Sandalwood

2. Concept of Stock Exchange.

The stock market refers to the collection of markets and exchanges where regular activities of buying, selling and issuance of shares of publicly-held companies take place.

Stock market means the market in which shares are issued and traded either through exchanges or over-the counter markets. Also known as the equity market, it is one of the most vital areas of a market economy as it provides companies with access to capital and investors with a slice of ownership in the company and the potential of gains based on the company's future performance.

Definition by Pyle “securities exchange are market places where securities that have been listed thereon may be bought and sold for either investment or speculation.

2.1 How the Stock Market Works.

In a shortly, stock markets provide a secure and regulated environment where market participants can transact in shares and other eligible financial instruments with confidence with zero- to low-operational risk. Operating under the defined rules as stated by the regulator, the stock market divided into two i. e. Primary and Secondary market.

I` Primary market.

Primary market is markets where securities are sell first time to the public and investor. The primary market mainly deals with new securities that are listed in the stock market for the first time`

II. Secondary market.

Here the buying and selling of securities take place,the existing investors sell the securities and new investors buy the securities.

The secondary market is where investors buy and sell securities they already own. It is what most people typically think of as the "stock market," though stocks are also sold on the primary market when they are first issued.

2.2 Functions of a Stock Market.

A stock market primarily serves the following functions:

i. Fair Dealing in Securities.

Depending on the demand and supplythe stock exchange needs to ensure that all interested market participants have instant access to data for all buy and sell orders thereby helping in the fair and transparent pricing of securities.

ii. Efficient Price Discovery.

Stock markets need to support an efficient mechanism for price discovery, which refers to the act of deciding the proper price of a security and is usually performed by assessing market supply and demand and other factors associated with the transactions.

iii. Liquidity Maintenance. Stock broker buy and sell securities on demand of their client or customers. The customer gets any time sell their securities get amount need.

iv. Security and Validity of Transactions.

While more participants are important for efficient working of a market, the same market needs to ensure that all participants are verified and remain compliant with the necessary rules and regulations, leaving no room for default by any of the parties.

v. Support All Eligible Types of Participants.

A stock exchange helps to even small investor and also include market

makers, investors, traders, speculators, and hedgers. All these participants operate in the stock market with different roles and functions.

vi. Investor Protection.

These investors may have limited financial knowledge, and may not be fully aware of the pitfalls of investing in stocks and other listed instruments. But stock exchange and SEBI (Security Exchange Board of India) by providing financial knowledge and imposing rules and regulation to stock exchange

2.3Stock Market Participants.

1. **Stock Jobbers**:The brokers/jobber act as intermediaries between the stock exchanges and the investors by buying and selling stocks on the investors' behalf. An account with a retail broker is needed to gain access to the markets.
2. **Portfolio Managers:** are professionals who invest portfolios, or collections of securities, for their clients. These managers get recommendations from analysts and make the buy or sell decisions for the portfolio. Mutual fund companies, hedge funds, and pension plans use portfolio managers to make decisions and set the investment strategies for the money they hold.
3. **Commercial Bankers:** represent companies in various capacities, such as private companies that want to go public via an IPO or companies that are involved in pending mergers and acquisitions. They take care of the listing process in compliance with the regulatory requirements of the stock market.

4. **Market maker:** A market maker is a broker-dealer who facilitates the trading of shares by posting bid prices and ask prices along with maintaining an inventory of shares.

2.4 Stocks.

Share of stock is the smallest unit of ownership in a company. If you own a share of a company's stock, you are a part owner of the company. You have the right to vote on members of the board of directors and other important matters before the company. If the company distributes profits to shareholders, you will likely receive a proportionate share.

- **There are two types of stock:**
    i. Common/share stock
    ii. Preferred stock

Most of the stock held by individuals is common stock.

i. **Common Stock**: -Common stock represents the majority of stock held by the public. It has voting rights, along with the right to share in dividends. When you hear or read about "stocks" being up or down, it always refers to common stock.

ii. **Preferred Stock: -** Despite its name, preferred stock has fewer rights than common stock, except in one important area – dividends. Companies that issue preferred stocks usually pay consistent dividends and preferred stock has first call on dividends over common stock.

3. NEED OF STUDY

The present study is the need of time. Finance is regarded as the life blood of any organization. Stock exchange plays an important role in the economy of any country. It is regarded as barometer of economic health.

Even though Bidar district is a well-developed region, a popular educational hub, very few people invest in stock market. This study will be useful to the investors and non-investors of stock market. It will assess the public opinion about stock exchange. This is the first study about public perception of stock exchange in Bidar District.

4. RESEARCH METHODOLOGY: -

Research methodology means to use various techniques and tools to examine the research objectives. The researcher uses both primary and secondary data to examine the public perception about Stock exchange in Bidar district. The primary data will be collected from the sample study of 200 respondents located in Bidar. Questionnaire method will be used to collect the primary data.

4.1. Source of the data.

In the research data plays a very important role to reach the objectives of research. Without data it's not possible to complete the research. There are two types of data which are as below.

i.Primary data.

To examine the public perception about Stock exchange in Bidar district, the study will be based on both primary data and secondary data. The primary data will be collected from the sample study of 200 respondents located in Bidar. Questionnaire method will be used to collect the primary data.

ii. Secondary data.

Various books and research works published by eminent persons/experts in the field of stock exchange, Various published articles Annual reports etc. will be used for secondary purpose. Various websites will also be referred.

4.2Sampling Design.

i. Population of the study.

The aggregate of all the investor and non-investor in Bidar District will be the population of the study.

ii. Sample size.

The study covers wide ranging issues concerning the public perception about the operations of stock exchange. The sample study of 200 respondents located in Bidar will be made. It will include only educated persons. Half of them will be the investors in the stock exchange and the remaining half will be non-investors. The sample size will be carefully selected to cover various sections of the society.

iii. Periodical scope.

The general study will consider the post-independence period, particularly after establishment of NSE (1994). The study of Bidar city covers a period of five years i.e. the period from 2019-2023

iv. Sampling method.

The determined number of samples will be collected through simple random sampling method.

v. Tools to be used for analyzing data.

The data collected from various source will be analyzed employing appropriate statistical tools such as Averages, t-test, chi-square test, etc.

5.SCOPE OF THE STUDY.

i.Geographical Scope.

The Bidar district is the northern most part of the Karnataka state with geographical area of 5460 sq.km. It lies between 17°35' and 18°29' North latitude and 76°41' to 77°39' East longitude. It is bounded by Nizamabad and Medak districts of Andhra Pradesh state on the eastern side, Latur and Osmanabad districts of Maharashtra state on the western side, Nanded district of Maharashtra state on the northern side and Gulbarga district on southern side.

ii. Main stock exchange brokers in Bidar

a. Krishu Securities Pvt. Ltd. .

b. Angle Broking Pvt.Ltd.

c. C.M Shetkar

d. Edward Raj

e.Shree Mahadev share and Investment

f. Alcon securities Alcon securities

g.Sher khan securities

6. OBJECTIVES OF THE STUDY: -

For any scientific study it is essential to set goals and objectives, Objectives of this study are as follows: -

I. To study the growth and development of stock markets in India.

II. To know the growth of stock markets transactions in Nanded and Bidar District.

III. To study the perception of investors towards stock market.

IV. To study the perception of non-investors towards stock market.

V. To suggest the ways to increase people participation in stock market.

7. HYPOTHESES: -

I. During the research period investor has been increasing to invest in stock market.

II. Illiterate investor thinks differently to investment in stock exchange like playing cards, luck by chance etc.

III. Investors are less interested to invest in stock market than any other financial investments.

IV. Investors generally think that return on investment in stock market is high as compared to other financial investment.

V. Investor may not have awareness about stock market in Nanded and Bidar district.

VI. Investment through mutual funds is preferred than direct investment in stock market.

8. CHAPTER SCHEME:

1. Introduction.

I.1.A brief history of stock exchanges.

I.2. Bombay stock exchange.

I.3.National stock exchange.

I.4. Securities.

I.5. Investors.

1.6. SEBI

1.7. Need of the study

1.8. Scope of the study

2.Review of literature.

In this chapter includes literature review of related study which refer by the researcher.

3.Research Methodology.

This chapter is explaining the various research methodology tools and technique use during the research by the researcher.

3.1. Sources of data.

3.2. Sampling.

3.3. Study period.

3.4. Tools of data analysis.

3.5. Objective of research.

3.6. Research Design.

3.7. Hypothesis.

4.Profile of Bidar district.

This chapter is explaining the brief history of the research area of Bidar district.

4.1. Brief History of Bidar district.

4.2. Geography

4.3. Demography

4.4. Economy

4.5. Educational institution

4.6.Tourism

5.Public perception about Stock exchange in Bidar.

This chapter is explaining perception of investors which will be collects primary data from the researcher during the research.

5.1. Introductions

5.2. Profile of Respondents

5.3. Perception of investors towards stock exchange.

5.4. Opinion of respondents.

6.Findings, Suggestions and Conclusion.

This chapter is explaining the suggestion and findings of the researcher.

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